

Government of Nepal
Ministry of Federal Affairs and Local Development
Local Governance and Community Development Programme

Name of Meeting

Technical Assistance Sub- Committee (TASC)

9th Meeting

DATE: 29TH JANUARY 2015

LOCATION: MINISTRY OF FEDERAL AFFAIRS AND LOCAL DEVELOPMENT, SINGHDURBAR

TIME START: 11:00 TIME END: 13:30

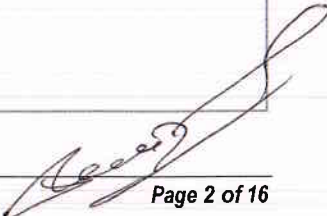
CHAIR: MR. PURUSOTTAM NEPAL, UNDER SECRETARY/ NPM

INTRODUCTION:

On behalf of Ministry of Federal Affairs and Local Development (MoFALD), Local Governance and community Development Programme (LGCDP) II, National Program Manager Mr. Purshottam Nepal chaired the meeting. He thanked all representatives of Development Partners (DPs), MoFALD Officials and Programme Coordination Unit (PCU) Experts present in the 9th Technical Assistance Sub-Committee (TASC) meeting. The TASC met to discuss on the programmatic and financial updates of the Policy and Programme Support facility (PPSF) 2014, AWP for 2015 and Terms of Reference (TOR) and Concept Note for Programme Recruitment Facility (PRF).

Key discussion points include:

AGENDA	DISCUSSIONS	Decisions and Action
<p>Annual Progress and achievements of PPSF 2014</p>	<p>NPM shared the output wise progress and achievements for 2014. Some of key discussion and feedbacks for each output group presentation are following:</p> <p>Output 1: It was informed that 11 Thematic Specialists are on-board at PCU level. With technical backstopping of these Specialists, LGCDP II organized 24 output group TASC, Sub NAC and NAC meetings. They also played an important role in assisting MoFALD in achieving results as highlighted in AMEP and reporting progress for LGCDP II annual report. Some of the key results achieved with their technical support were 31% municipalities and 47% districts adopting Environmental Management Plans. Additionally, capacity of 4,845 local bodies and stakeholders were enhanced on environmental friendly local governance, mainstreaming GESI in Social Mobilization Guidelines, Resource Mobilization and Management Guideline 2012, and in sensitizing local bodies in gender responsive and socially inclusive budgeting and auditing process.</p> <p>It was also shared by NPM that there were 13 high level monitoring visits organized last year, of which 2 visits were led by Joint Secretaries and 2 visits before the Sub-</p>	



NAC meeting. The technical specialists of PCU played an instrumental role in planning and facilitating these visits.

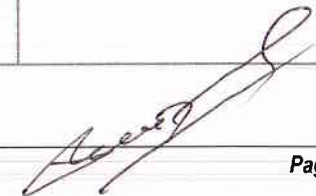
Output 2: Six RCUs have been established and functional with a total of 36 professional staff. Similarly, six national UNVs on-board and assisting local bodies on strengthening its ICT capacity.

The professionals provided technical guidance in conducting ward level planning: 76% of VDCs and Municipalities conducted ward level planning workshops to prepare annual plans. They also provided technical support in the selection of LSPs and CSOs. Additionally, 64% VDC, 84% municipalities and 67% DDCs conducted public audit. Orientation to WCF was provided on monitoring and oversight functions to 10,349 (29%) WCFs in which at least one member received orientation on monitoring and oversight function

Representative from Denmark noted that the modality of trainings provided by LSP to WCF could be improved. The orientation on WCF oversight functions could be provided during the monthly meetings by social mobilizers instead of organizing separate trainings. He also emphasized that the process of public audit needs to be incorporated within the social mobilization process.

On the query raised by DFID on the percentage of projects that have completed public audit, the NPM clarified that the public audit data of 64% provided is for major projects of more than 500,000 as per the MCPM guidelines.

NPM shared that 95% of VDC council meeting were achieved in time due to the LLP trainings, support extended by LGCDP and facilitated by RCU alongside technical expertise provided by D/UGEs in the field. It is anticipated that this will contribute towards achieving MCPM successfully. NPM informed that MoFALD considers this as a major achievement and has already released press statement regarding the same.



Output 3:

A total of 133 professional staff (DGEs & UGEs) were recruited and are working closely with the local bodies providing technical support particularly in the area of social mobilization, reporting, local level planning, organizing the council meetings, proper documentation of meeting minutes, record and book keeping, expenditure reporting, trimester and annual reporting, local level planning, revenue enhancement with focus on MCPM failed VDC, DDC and Municipalities.

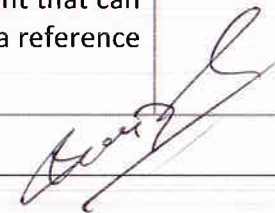
Output 4:

LGAF guidelines has been prepared. Currently government has formed a taskforce to improve MCPM guideline and include performance indicators.

The MCPM impact study has been completed and a dissemination session organised. Based on the recommendations, MCPM System will be updated with performance based indicators. The Study on Grant Allocation Formula for Regular Conditional Grants and Cost Index completed and a sharing session was organized by LBFC. LBFC commissioned a study on revenue potentiality of DDCs, Municipalities and VDCs which also reviewed local body revenue sharing mechanisms and procedures.

MoFALD rolled out a pilot MIS system in 14 districts to Strengthen and improve local management of vital event registration and social security system and testing the use of banking system for payment of social security benefits.

It was also informed that currently MoFALD has consolidated some of the responses made against court cases filed in the supreme court to set the precedent that can be used by LBs. MoFALD is now collating and consolidating these into a reference books where LBs can use this to strengthen their position.



Output 5:

The draft ToR and concept note for PRF have been developed and shared with DPs for inputs and suggestions. It was also shared that technical assistance was provided to local bodies to strengthen its ICT through intensive trainings conducted for 107 ICT volunteers and local bodies technical staff on Geographic Information System and Database.

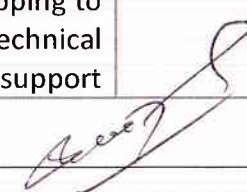
Output 6:

It was highlighted that the Capacity Development (CD) Strategy was developed with joint support of UNDP and GIZ.

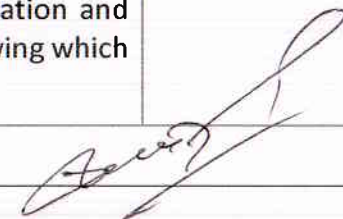
The NPM also shared that In order to monitor the quality of technical assistance provided to local bodies, with assistance of PCU specialists, DGEs and UGEs Identified semi-annual performance indicators that will be standardized across the board and the performance of DGEs and UGEs will be assessed based on these indicators.


In order to support the Local Level Planning processes, cascading trainings were organized with primary focus on all Terai districts where LLP trainings were not provided previously. A total of 61,319 local stakeholders were trained covering 1,500 Village Development Committees. The NPM emphasized that these trainings helped participants to prioritize their needs, access to the resources and hold Local Bodies accountable for service delivery.

The ToR has been shared by the PCU and is under finalization for expanding the capacity in LBFC towards the capacity expected from a National Fiscal Commission. A concept note to address how the QA of local infrastructure and backstopping to VDCs has been developed to strengthen the quality labs and provide technical backstopping to VDCS to improve quality of local infrastructure. Technical support

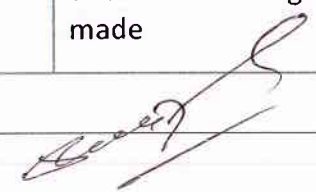


	<p>was provided in preparing Community Mediation concept note, New municipality support concept note, Complaints monitoring guidelines, Concept note on Infrastructure Development Division for MoFALD.</p> <p>Representative from DFID and Norway brought the attention of the member on the issue related to some variance leading to reallocation of some budget leading to over expenditure, which might result in shortfall of funds and have consequence on the overall result of this output. It was recommended to constitute an task force to review these variance and its impact on the overall results.</p> <p>Output 7:</p> <p>It was shared that after the establishment of DP Cell, an effective coordination between MoFALD and DPs has been established, especially in supporting output managers and experts on output group activities to assure quality. Timely information has been provided to all DPs on the progress, challenges and constrains related to programme implementation.</p> <p>The full time Public Financial Management Specialist to be based in the DP Cell will be recruited based on Sub NAC approval, and is expected to be on board in the first quarter of 2015.</p> <p>Output 8:</p> <p>The framework and guidelines for assessing the Annual Quality Assurance was conceptualized, discussed and developed. It has been agreed that the assessment will be rolled out and tested in early 2015.</p> <p>The Baseline and Perception Survey for LGCDP II has been commissioned with Nielson Company in October 2014. Data collection complete and tabulation and data entry is expected to be complete by last week of January 2015, following which the draft report will be submitted during the first week of February 2015.</p>	<p>A taskforce to be formed to review the variance A taskforce to be formed to review the variance and revise and adjust the budget against activities of PPSF RRF</p>
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	<p>The Social Protection unit within MoFALD recommended a study to review the current social security allowance distribution at the local level through which is being done through public banks and recently through private banks in three districts</p>	
<p>Financial Progress of 2014</p>	<p>NPM informed that out of the annual budget of 4.2 million USD, 4 million USD was actual expenditure and hence, the delivery percentage was 94% last year. NPM noted that LLP cascading support was a successful pilot programme due its immediate result and therefore TA support in this areas is anticipated for the next fiscal year as well.</p> <p>Representative from DFID noted that there were some variance in the budget particularly in Output 6. It was clarified that the overall budget of AWP 2014 under output 6 it did not surpass but in the Results and Resource Framework of PPSF there are variations and needs readjustments.</p> <p>DPs principally agreed that the capacity building was considered as one of the priority areas, but they stressed that before making any major adjustments in the budget, it needs to be discussed and endorsed by DPs.</p> <p>Representative from UNDP and UNCDF noted that a taskforce should be formed regarding revision of the RRF and if amendment in the programme document is needed. The changes can be annexed in the programme document as agreed upon in previous meetings.</p> <p>DP Cell representative noted that AWP for July-Dec 2015 need to be planned based on the RRF review, changes should be monitored in terms of pillar 2. The proposed 2015 work plan is in line with RRF until mid-year which is also in line with ASIP.</p> <p>NPM noted that some of the activities in RRF should be revised based on changing context and priorities. Representative from Norway noted that revision of RRF needs to be prioritized to fit in with output group meetings.</p> <p>Representative from UNDP highlighted that the presented expenditure of 2014 reflected in the provisional financial report is tentative and that the final financial report would be shared at a later date, which may reflect slight changes in the</p>	<p>A taskforce to be formed to review the variance A taskforce to be formed to review the variance and revise and adjust the budget against activities of PPSF RRF. Taskforce will consists of :</p> <p>NPM- LGCDP II to Chair</p> <p>Bishnu Adhikari-DFID Pragya Bashyal- UNDP in coordination with Pragyan Joshi of UNCDF Anil Chandrika – DP Cell</p> 

	<p>expenditure report. It was informed that the annual progress report will be shared with development partners by the end of February.</p>	<p>The task force to complete the revision of RRF by the third week of February.</p>
<p>Annual work plan of 2015</p>	<ul style="list-style-type: none"> • Output 1 <p>Regarding PFM specialist, it was noted by NPM that hiring of PFM specialist with a charter accountant background for full time services has been a challenge. Therefore, this needs to be revisited whether a Chartered Accountant criteria should be mandatory criteria for PFM specialists' recruitment. It was discussed and agreed that the PFM Specialist need not be a Chartered Accountant.</p> <p>DP cell representative noted that ministry itself has number of section officers whose capacity could be built over a period of time for PFM specialization and is a more sustainable option alongside organizational development of MoFALD.</p> <p>Representative from UNDP noted that it may be a sound idea to seek a full time Local Governance Advisor through a vacancy accouchement if the current support is not to be continued.</p> <p>NPM noted that previously through the VA, the kind of expertise sought from a governance advisor was not upto the mark amongst the applicants. Therefore, support was requested from GIZ to provide technical assistance of Governance Advisor.</p> <p>In which case, representative from UNDP noted that hiring a full time governance advisor may not make sense due to long recruitment procedures. The other possible option would be head hunting of possible candidates.</p> <p>Regarding CD specialist, it has been negotiated to continue his support as a part timer and online support on need basis. His salary to be half of his previous salary.</p>	<p>Taking into consideration the complexity to find the qualified PFM expert, Increase the package offered under the current TOR or explore possibility of hiring non Charter Accountant.</p> <p>Contract of Mr. Raj Kumar Dhungana, CD specialist- to be continued on a part time basis until July, based on which salary will be adjusted.</p> <p>Mr. Arun Regmi (GIZ) , Governance Advisor, to continue providing part time support to LGCDP until next arrangement is made</p>



UNDP reflected that there should be a proper analysis of various options to hire staff so that they could be retained for a long term. Such analysis should be done by a smaller group before the TASC, so that the options could be presented in TASC for decision.

- **Output 2**

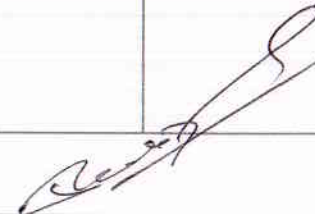
Professional staff deployed in six regional offices of LGCDP II will continue providing technical backstopping to the local bodies in strengthening local governance, monitoring and reporting, social mobilization, community mediation, livelihood, local economic development, social protection, gender and social inclusion etc.

A total of 6 full time national UN Volunteers, one for each RUC, as ICT officers will oversee the digitalization process and provide technical support to 136 ICT volunteers placed in districts and municipalities

- **Output 3**

DGEs and UGEs hired through PPSF will be working closely with the local bodies for strengthening the capacity of DDCs, VDCs and Municipalities to improve the service delivery. They will be providing on-site technical assistance to coordinate and facilitate implementation of LGCDP II and also carry out monitoring and reporting functions at the local level.

A comprehensive induction will be provided to 13 newly recruited DGEs on LGCDP II with clarity on their roles and responsibilities in achieving results as stated in the programme document.



• **Output 4**

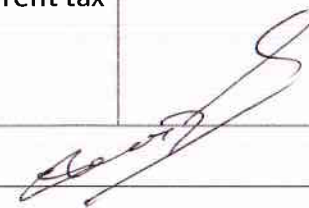
Two experts will be hired on a short term consultancy to provide technical assistance to LGAF secretariat.

NPM shared that MoFALD is planning to hold a performance contract agreement signing ceremony with LDOs from Mid-west and Far-western regions. MoFALD is requesting the Deputy Prime Minister to attend the ceremony where DP representatives will also be invited. The visit is planned before the second week of February.

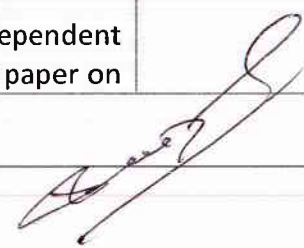
Some of the other key planned activities for this year include: categorization of LBs, LIP and social mobilization assessment, codification of guidelines and manuals review the state of DIP implementation, prepare policy papers on Sub-National Governance, review of LBs revenue including new municipalities amongst others.

Representative from Norway raised a concern on how to expand the tax base ratio of LBs. NPM noted that LBs have tax rate ratio but the coverage ratio is lower, currently the coverage ratio is only 25% although they have high tax rates. Although the central government is decreasing the rates, but still expects to improve the revenue, this helps in increasing the coverage ratio, currently the LBs are have increased the Tax rates and the coverage ratio has gone down. Therefore how can the LBs balance the coverage ratio between tax base and tax rate which will be need to be addressed by the expert to improve the overall revenue. Currently there are no tax experts, and they only seek automatic collection, meaning they set the rate and collect the revenue, there is no logical analysis or logical calculation done to set these rates. Representative of Norway stated that the new system on tax collection which was introduced in few municipality with the technical support from GiZ should be further explored to extend to other municipality as well. MoFALD will work jointly with DPs while preparing the TOR. The idea is to expand the current tax base while also exploring new avenues of taxation.

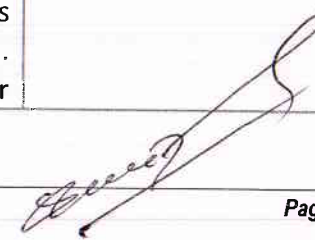
DPs noted and confirmed to get back with the head of agencies availability to NPM.



	<ul style="list-style-type: none"> • Output 5 <p>NPM stressed that the establishment of PRF will be the key priority of MoFALD this year. Following the endorsement of the ToR, consultants will be hired to develop an operational guidelines and policy document on PRF. This will be a participatory process with rigorous consultations with MoFALD officials, other ministries and development partners.</p> <p>DPs emphasized that the timeline specified in the concept note should be strictly followed to meet the deadline.</p> <ul style="list-style-type: none"> • Output 6 <p>As shared by the NPM, the prime focus of this output will be on the capacity enhancement of local bodies and PCU staff, through several thematic trainings and workshops. Continuous mentoring will also be provided to DG, UG and other RCU staff by PCU specialists, so they can provide quality capacity development support to local bodies. Detailed capacity development plan will be prepared with support of the CD Specialist for this year which will be in-line with LGCDP II CD strategy.</p> <p>Similarly, PPSF will also facilitate national and regional consultative meetings for experience sharing and exchange of information and learning. Training modules will be developed for local body staff with focus on MCPM assessment criteria, especially for failing districts and newly formed municipalities.</p> <p>Stock taking of best practices on Local Economic Development LED/PPP models in Nepal and designing LED/PPP approach Will be another focus area of PPSF.</p> <p>Based on the concept note prepared by the Technical Division, an independent quality assurance review of community infrastructure projects; concept paper on</p>	<p>The concept note and the TOR of PRF was approved. PPSF consultant be recruited immediately and MoFALD to ensure that the proposed timeline is strictly followed.</p>
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	<p>approach to strengthen quality of infrastructure projects will be developed followed by stakeholder consultations. An exposure visit to Bangladesh is also planned to learn from lessons from Bangladesh.</p> <ul style="list-style-type: none"> • Output 7 <p>In addition to the Local Governance Programme Management Specialist and the Coordination and Monitoring Specialist, the DP Cell will also be staffed with a PFM Specialist, a Programme Assistant and a short term driver to support the DP Cell.</p> <p>DP Cell will facilitate learning and sharing session on thematic in consultation with DPs and also create opportunity for systematic sharing of good practice and experience of Aligned programme that support LGCDP II.</p> <ul style="list-style-type: none"> • Output 8 <p>Baseline and Citizen perception survey will be completed A draft report will shared by 6th of February. The surveyor will seek comments from all stakeholders. A consultation workshop will be planned before the final report dissemination.</p> <p>It was discussed that the Quality Assurance Mechanism (AQAA) needs to be piloted before Sub-NAC and final report to be submitted to the NAC. A consultation workshop is needed prior to Sub NAC.</p> <p>Representative from DFID noted that similar to ICT volunteers, there should be a strategy to mobilize young graduates (200 to 300) students each year in LBs.</p> <p>NPM informed that PPSF funding does not support this. However, an initiative is being planned with CINAS, and other with Rural Development department from TU. A negotiation is being done to have interns from this department as part of their</p>	<p>Initiate the recruitment of the team and pilot the AQAA and the report to be ready by next NAC</p>
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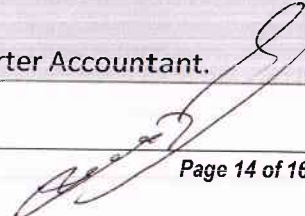


	<p>curriculum. However, paying the interns is an issue and under discussion with Ministry of Finance. Sustainability of the possible activity is also one of the issue.</p> <p>EFLG environment engineer interns under similar arrangement are on board.</p>	
AWP 2015	<p>Representative from Norway noted that Norwegian Kroner has appreciated against dollar and might have a repercussion in the planned budget.</p> <p>Taking into consideration that the Pillar I and III of the AWP 2015 is of staff salary of PCU, RCU, DGs, UGs and DP Cell and other associated monitoring and operational costs, those activities of AWP 2015 could be approved. But they emphasized that activities on Pillar II should be for first 6 months only based on ASIP. After the RRF is revised and based on proposed activities, AWP 2015 could be revised to include those new activities.</p>	<p>Pillar 1 and 3 of AWP 2015 approved until December 2015 (staff salaries and operational costs). Pillar 2 activities until July which are in line with ASIP are approved. Activities from July to December will be revised and adjusted based on the recommendations of the task force to be considered in the next TASC meeting.</p>
Programme Recruitment Facility (PRF)	<p>Representative from DFID and Norway underlined that the timeline presented in PRF concept note should be followed.</p>	
Closing	<p>The Deputy Country Director (Programme) from UNDP in her concluding remarks acknowledged the leadership of NPM and continuous support extended by the DPs in facilitating the smooth implementation of LGCDP II, particularly PPSF. She acknowledged the complexity of LGCDP II, nevertheless stressed that proper management and delivery of quality and timely results are imperative irrespective of the complexity of the programme. Therefore, she suggested to have an extra</p>	

	<p>support in PPSF to ensure the quality implementation of the programme and also requested members in task force to consider this as well while revising PPSF RRF.</p> <p>She further acknowledged the variance in RRF and stressed that any changes in the RRF should be in consultation with the TASC members and with their endorsement only.</p> <p>In terms of programmatic focus, she stressed on giving space for innovation. She shared her anticipation of giving more focus on ICT based innovations.</p> <p>The NPM reiterated his commitment of quality management with a focus on delivering anticipated results. He informed Whole team is directly and indirectly involved in generating results. LBs are contributing to generate high results. NPM emphasized that MoFALD is planning of assigning a new officer to provide support to PPSF. He also explained that LGCDP ICT volunteers and UNVs are strengthening ICT capacity of MoFALD by introducing web based reporting and other ICT related innovations.</p>	
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Decisions

- **AWP:** Pillar 1 and 3 of AWP 2015 approved until December 2015 (staff salaries and operational costs). Pillar 2 activities until July which are in line with ASIP are approved. Activities from July to December will be revised and adjusted based on the recommendations of the task force to be considered in the next TASC meeting.
- **RRF Review:** A taskforce to be formed to review the variance and revise and adjust the budget against activities of PPSF RRF. Taskforce will consists of: NPM- LGCDP II to Chair, Bishnu Adhikari-DFID, and Pragya Bashyal- UNDP in coordination with Pragyan Joshi of UNCDF, Anil Chandrika – DP Cell. The task force to complete the revision of RRF by the third week of February.
- **Mr. Raj Kumar Dhungana, CD specialist-** The committee approved the proposal to continue the CD specialist contract on part time basis until July. Working modality- 2 days a week and rest online services on need basis. Salary will be half of the full time services income. Contract type will be SSA intermittent.
- **Mr. Arun Regmi, Governance Advisor:** The committee approved the proposal to request GiZ for continuing the Governance Advisor support on part time basis to LGCDP until next arrangement is made.
- **PFM expert-** Increase the package offered under the current TOR or explore possibility of hiring non Charter Accountant.



- **Quality Assurance (AQAA):** Initiate the recruitment of the team and pilot the AQAA and the report to be ready by next NAC
- **PRF:** The committee approved the concept note and TOR for PRF. Ensure timelines are achieved as set out in the TOR. And immediately recruit the consultant team to carry out the assignment.

ATTENDANCE LOG

S.NO	NAME	DESIGNATION	ORGANIZATION
1	Mr. Purusottam Nepal	Under Secretary/Programme Manager	MoFALD/LGCDP II
2	Mr. Subas Chandra Siwakoti	Under Secretary (Account)	MoFALD
3	Mr Ram Krishna Lamichhane	Admin Officer	MoFALD
4	Sophie Khemkhadje	Deputy Country Director	UNDP
5	Laura Leyser	PFM Advisor and DP Focal person	DFID
4	Bishnu Adhikari	Governance Advisor	DFID
5	Saroj Nepal	Sr. Programme Officer	Embassy of Denmark
8	Bhola Prasad Dahal	Governance Advisor	Norway
9	Mr. Yam Nath Sharma	Assistant Country Director	UNDP
10	Ms. Pragya Bashyal	Program Officer	UNDP

11	Ms. Pragyan Joshi	Program Analyst	UNCDP
13	Mr. Anil Chandrika	Coordinator	DP Cell
14	Dr. Raghu Shrestha	Evaluation and Monitoring Specialist	DP Cell
15	Ms. Reshu Karki	Communication and Documentation Officer	LGCDP II
16	Mr. Mahesh Pokharel	Procurement Specialist	LGCDP II
17	Mr. Surendra Bhandari	Admin/Finance Officer	LGCDP II

